

USA Capital

Subordinated Trust Deed Investment

- Borrower:** Lerin Hills, LTD
Mr. Godines, the manger of the borrower, is the Founder, President, and CEO of KGME, Inc. KGME is a civil construction company, which operates as an integrated general contractor, specializing in underground utilities, road and bridge constructions and large scale excavation.
- Loan Amount:** \$12,900,000
- Rate:** 15% (net) paid monthly
- Combined Loan to Value:** Approximately 61% based on an appraisal from Dugger, Canaday, Grafe, Inc. dated July 22, 2005.
- Term:** 24 months
- Collateral:** Second Deed of Trust on approximately 893 acres of land located along the north side of State Highway 46 and approximately three miles west of Interstate-10 approximately 30 miles northwest of San Antonio, Texas.
- The Project:** Lerin Hills is a fully entitled master planned community on approximately 893 acres with large oak trees, a 46 acre lake, and a 100 acre floodplain which will be developed into private parkland for residents that are members of the lake club. This development will include 1,375 lots in a variety of product lines and is scheduled to be built out in 3 phases. The homes proposed for the development range in price from \$175,000 to \$500,000. There are a number of national home builders, such as, Pulte Homes, Lennar Homes, and D.R. Horton, which will likely participate in the development.
- The borrower will establish a Municipal Utility District (MUD) which provides reimbursement for certain infrastructure cost through bond issuances, and any reimbursements from this financing will be part of the collateral.
- Guarantees:** Mr J. Abel Godines with a reported net worth of approximately \$12,575,000 as of April 25, 2005.

USA Capital 702-734-2400

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Money invested through a mortgage broker is not guaranteed to earn any interest or return and is not insured. Before investing investors must be provided applicable disclosure.

EXHIBIT B